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July 17, 1996

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DANNY E. ADAMS

DIRECT LINE (202) 955-9874

William F. Caton, Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, N.W.  
Washington, D.C. 20554

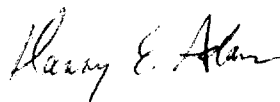
Re: SBC CEI Plan  
(CC Docket Nos. 85-229, 90-623 and 95-20)

Dear Mr. Caton:

On behalf of the Alarm Industry Communications Committee, please take notice that on July 15, 1996, Robert Bonifas, Pat Egan, Jim Synk, William Signer, John Heitmann and I met with Mary Beth Richards, John Muleta and Michelle Carey of the FCC. The discussion concerned AICC's comments in the above-referenced docket, as summarized in the attached materials.

In accordance with Section 1.1206 of the Commission's rules, an original and four copies of this notice and attachments are provided for inclusion in the public record.

Sincerely,



Danny E. Adams

Enclosure

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

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In the Matter of )  
)  
)

Southwestern Bell Telephone )  
Company's Comparably Efficient )  
Interconnection Plan for the )  
Provision of Security Service )  
\_\_\_\_\_ )

CC Docket Nos. 85-229, 90-623 and 95-20

To: The Common Carrier Bureau

**EX PARTE PRESENTATION OF THE  
ALARM INDUSTRY COMMUNICATIONS COMMITTEE**

July 15, 1996

**Southwestern Bell  
Telephone Company's (SWBT)  
Comparably Efficient  
Interconnection Plan for the  
Provision of Security Service**

*CC Docket Nos. 85-229, 90-623 and 95-20*

**Section 275 of the Telecommunications Act of 1996  
Explicitly Prohibits BOC Entry Into the  
Alarm Monitoring Business Until 2001**

- Section 275(a)(1) states that "No Bell operating company or affiliate thereof shall engage in the provision of alarm monitoring services" for 5 years.
- SWBT interprets this prohibition only as a narrow restriction on its ability to perform the actual alarm monitoring function.
- Based on this interpretation of Section 275, SWBT proposes to initiate "SWBT Security Service" wherein SWBT will:
  - sell, install and maintain alarm monitoring CPE;
  - market alarm monitoring services;
  - bill for the monitoring service as "SWBT Security Service";
  - handle all customer inquiries;
  - dictate the terms of the contract for alarm monitoring service;
  - set the price for and share in the alarm monitoring revenues; and
  - generally serve as the point of sale contact with the consumer.
- Contrary to SWBT's claim, this proposal is not analogous to prior *Sales Agency Orders* because these *Orders* did not address the provision of a prohibited service or such an extensive level of involvement as proposed by SWBT. Moreover, these *Orders* were not reviewed in the context of Section 275, as is required here.

## **SWBT's Proposed "SWBT Security Service" Violates the Letter and Intent of Section 275**

- The plain language of Section 275 bars the BOCs from "the provision of alarm monitoring services."
- The clear and obvious purpose of Section 275 is to prohibit BOC participation in the alarm monitoring business until local competition has become effective.
- SWBT's interpretation of Section 275 nullifies its purpose, making it all together pointless.
  - Under SWBT's CEI Plan for Security Service, it will be fully engaged in all aspects of the alarm monitoring business.
  - All the opportunities for anticompetitive conduct that motivated Congress to enact Section 275 will be present if SWBT is allowed to proceed with its plan.
  - SWBT's plan suggests a nonsensical congressional intent.
- Commission approval of the SWBT proposal will eviscerate Section 275 thereby eliminating, for all practical purposes, the restriction on BOC entry into the alarm monitoring business.